IIRSA "SOUTH AMERICAN ROAMING AGREEMENT" Project

Progress Report of the Project. March 2009

Importance of Roaming Services for Regional Integration

*International Roaming Services for mobile telecommunications networks*1 differ from other telecommunication services in which the customer, having entered into a commercial agreement with an operator in his or her country of origin (proprietary network), is provided the service in a different country in which he or she is for a limited period of time, through the network of an operator in the host country (visited network). For this service to be provided, both telephones and networks must be technologically compatible and operators must reach a legal agreement as to the billing terms for the use of the service and the distribution of the revenue among them. This requires a high degree of coordination among a wide range of actors[2], whose interests may differ or may even clash.

The experience gathered in other regions of the world shows that (national, regional or international) roaming agreements are technically and economically viable, creating competitive markets in which (i) the coverage, quality and costs of the service given to clients by operators are definitely improved; (ii) integration is strengthened through mobile telecommunication services; and (iii) new business initiatives, proposed by operators or third parties, are encouraged, so that the benefits resulting from intra-regional mobility are distributed even further.

In this context, however, the current situation of Latin America is that of a region where, even though in the last years consumers have witnessed a remarkable increase in mobile telephone penetration, no significant improvements have taken place in services offered by operators authorizing the international or regional mobility of users.

Most mobile operators in the region, in spite of the technological standardization and existing concentration in the sector, have no regional coverage, and roaming services, if any, are provided exclusively to users under postpaid conditions (contracts)[3], voice traffic and under not very transparent or affordable prices or conditions. There is no special treatment for users moving within the region, despite the existence of regional integration initiatives, such as the Andean Community, the Mercosur or the Central American Integration System.

Major Attainments in the Life of the Project

By the end of 2004, IIRSA's member countries[4] decided to take a step further in the discussion of this issue by incorporating this project known as "Implementation of a South American Roaming Agreement"[5] in the agenda of its priority projects. During this period, much progress was made in terms of awareness raising among key actors involved in this field, particularly through the "*Regional Study on the South American Roaming Services Market*", developed by the Inter-American Development Bank, and was largely discussed in the first IIRSA Technical Executive Group (GTE) meeting, held in November 2008 in Bogota (Colombia). The following table summarizes the main stages in the life of the project.

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1 Designated hereinfrom as "roaming services."

2 National regulators, mobile operators or tax agencies, among others.

3 Between 10 and 15% of users, according to estimates from the GSM Association.

4 Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, and Venezuela.

5 For further information on the project, please see www.iirsa.org/roaming.asp.

December 2004	Incorporation of the "South American Roaming Agreement" project in IIRSA priority project portfolio.
December 2007	Approval of IDB funds to fund the Regional Study on the South American Roaming Services Market.
March 2008	First CITEL-IIRSA Workshop on "International Roaming Services for Mobile Telecommunications Networks" and definition of the guidelines for the regional study.
April – August 2008	Contract and development of the Regional Study on the South American Roaming Services Market (*IMOBIX – Value Partners*).
September 2008	Publishing and dissemination of Stages 1 (South American Context) and 2 (Lessons learnt worldwide) drafts of the study.
November 2008	First IIRSA Technical Executive Group (GTE) meeting on "South American Roaming". Presentation of the regional study and working tables to set the guidelines for an Action Plan.

Next Stages

Once the results of this regional study are published, a collective action from all actors concerned with this service will be required in order to define a regional action plan to foster the use of mobile telephony as a regional integration instrument and to facilitate the harmonization of mobile telecommunication services in American countries. To this end, participation at CITEL is vitally important in order to foster dialogue among government agencies and mobile telecommunication operators and to support compliance with the objectives of this project.

In line with the aforementioned, CITEL members are asked to give their support to the next stages of the project, as summarized in the table below:

May 2009	CITEL - Second IIRSA Executive Technical Group Workshop Definition of a regional action plan.
2009-2010	Implementation of actions agreed upon in the regional action plan, with the participation of all stakeholders capable of implementing them as scheduled.

Additional information and contact

For further information on the development of IIRSA "South American Roaming Agreement" project or the Regional Study on the South American Roaming Services Market, please visit the project website: www.iirsa.org/roaming.asp or address the project technical contact within IIRSA:

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